

COMMONWEALTH OF MASSACHUSETTS
BEFORE THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

FITCHBURG GAS AND ELECTRIC)
LIGHT COMPANY)
_____)

DOCKET NO. D.T.E. 03-_____

PETITION OF FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
FOR AUTHORITY TO ISSUE SECURITIES
AND REQUEST FOR EXPEDITED CONSIDERATION

Fitchburg Gas and Electric Light Company ("FG&E" or "the Company") hereby respectfully petitions the Massachusetts Department of Telecommunications and Energy ("the Department") for approval to issue securities pursuant to M.G.L. c. 164, §14, as more fully set forth below. In connection with said issuance, FG&E also requests an exception from the provisions of M.G.L. c. 164, §15. FG&E further requests approval of changes to its capital structure to reflect capital contributions from its parent, Unitil Corporation, in an amount not to exceed \$6,000,000.

Because FG&E seeks to close this transaction by October 15, 2003, FG&E respectfully request expedited review of its Petition, and a final Order on or before September 15, 2003. In support of its petition, FG&E represents as follows:

A. SECURITIES ISSUANCE FOR LONG-TERM DEBT

1. FG&E is both a "gas company" and "electric company" and is subject to the provisions of M.G.L. c. 164, as amended.

2. Pursuant to votes of the Company's Board of Directors on March 25, 2003, the Company proposes to issue to an institutional investor or investors a promissory note or notes at par evidencing unsecured long-term debt in an aggregate principal amount of up to \$10,000,000 to mature not more than 30 years from the date thereof and bearing interest at a fixed annual rate not to exceed 8.0%.

3. FG&E also proposes to receive from its parent corporation a capital contribution in the aggregate amount of up to \$6,000,000. The vote of FG&E's Board of Directors to receive the capital contribution would be made at a later time.

4. FG&E intends to use the \$10,000,000 proceeds from the proposed issuance of long term notes, and the amount of the capital contribution from Unitil, to reduce outstanding short-term debt. In recent years, FG&E has incurred short-term debt in the course of its regular operations for capital additions extension and betterments to its utility plant, property and equipment. The long-term debt issuance, and the capital contribution from Unitil, will reduce the short-term debt outstanding and/or fund capital additions on FG&E's utility plant. In addition, the capital contribution from Unitil will reduce FG&E's total debt to equity ratios and improve overall credit quality. Therefore, as the proceeds of the said issuances will be used as described herein, the financings are reasonably necessary for FG&E to carry on its regulated operations, and comply with G.L. c. 164, §14.

5. The Company's capital structure, exclusive of short-term borrowings, as of May 31, 2003, was comprised of 55% Long-Term Debt (including amounts due within one year), 3% Preferred Stock and 42% Common Equity. On a proforma basis, the inclusion of the proceeds from the proposed issuance and the capital contribution from Unitil result in a capital

structure of 56% Long-Term Debt, 2% Preferred Stock and 42% Common Stock Equity. In addition, on May 31, 2003, the Company had \$27,216,569 of short-term debt outstanding.

6. As of May 31, 2003, the Company's Net Utility Plant was \$89,596,511. The Company's total capitalization (including long-term debt due within one year) without retained earnings and capital stock expense, proformed for the proposed financings is \$88,767,057, which results in a surplus of \$829,454 under the Department's Net Plant Test.

7. The Company believes that the proposed issuance of long-term debt securities requested hereunder and in the manner proposed are reasonably necessary for the conduct of its operations as described above and should result in the lowest cost securities. FG&E believes that a private placement will result in the most beneficial rate and terms afforded this type of issuance. Thus, the Company believes that it is in the public interest to grant an exemption from the competitive bidding requirements of M.G.L. c. 164, §15

WHEREFORE, Petitioner prays that:

1. FG&E be authorized, pursuant to c. 164, §14, to issue and sell up to \$10,000,000 aggregate principal amount of long-term notes at par by private sale for cash to an institutional investor(s) for a term not to exceed thirty years, said notes to be sold at not less than their principal amount, at an interest rate not to exceed 8.0%; and

2. FG&E will be authorized to receive a capital contribution from its parent, Unitil, in an amount up to \$6,000,000 .

3. FG&E be exempted from the requirements of c. 164, §15 with respect to the aforementioned proposed notes; and

4. The Department take such further steps and make such other findings and orders herein as in its judgment are necessary for the authorization of the proposed issuances.

Respectfully submitted,

FITCHBURG GAS AND ELECTRIC
LIGHT COMPANY

By its attorneys,

A handwritten signature in dark ink, appearing to read "Scott J. Mueller", is written over a horizontal line.

Scott J. Mueller

Méabh Purcell

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Dated: July 31, 2003

(b90050)

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the Petition of Fitchburg Gas and Electric
Light Company for Authority to Issue Securities Upon the Attorney General of the
Commonwealth of Massachusetts by hand delivery.

Dated at Boston, this 31st day of July, 2003.



Scott J. Mueller

Méabh Purcell

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